

# How Socially Responsible Are Business Students – Evidence from Slovenia?

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## Abstract

This paper reports about research examining social responsibility of business students through students' perception about corporate social responsibility (CSR). Study exposes the behavior and CSR theories and analyzes answers from 183 business students from Slovenia. Authors established a model, to examine students' perception about the impact of the economic CSR - considered through the "primary concern for economic results" and "devoting resources for CSR", to the "natural CSR" and "social CSR". Among student the interest for the natural CSR prevailed, while the economic aspect of CSR is the least appreciated. In the considered sample, associations between CSR aspects reveal significant and negative association between the concern for economic results and the natural and social CSR. In addition, positive and significant impact of devoting resources for CSR to the natural and social CSR exists between students. Devoting resources contributes more to the concern for social than for the natural CSR. The economic CSR explains significantly more variance in the social than in the natural CSR. Findings could help improving students' CSR behavior as future employees, but also development of education about CSR in the higher education organizations and society.

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**Keywords:** Natural environment, social environment, economic environment, Slovenia, social orientation of students.

## Introduction

The paper reports about research that examines social responsibility of business students through students' perception about corporate social responsibility (CSR). From 1960s on, scholars have intensively studied organizations' relations to social, natural, and economic environments (Dahlsrud, 2008; Aguinis, 2011). In addition, attention for inclinations and

preparedness of students for CSR - as future employees, has been growing in both academic and practitioner communities around the world (Carroll, 1999; Rego et al., 2017).

CSR theory addresses issues, which theorists studied through several specific disciplines, like environmentalism, management, and organizational behavior, among others (Elkington, 2004; Aguilera et al., 2007; Rego et al., 2017). Other theorists and practitioners wrote literature reviews addressing methodological and contextual issues of CSR (Stern, 2000; Slaper, Hall, 2011). In that framework, contextual studies were focused on building of theories and fundamental knowledge of CSR that provide “potential guidance for conceptual frameworks and methods for addressing the management, organization, and societal challenges in CSR practices” (Wang et al., 2016: 535).

As the field of CSR has evolved, academics like Aguilera et al. (2007), and Campell (2007), called for further behavior studies of socially responsible behavior (SRB) of all stakeholders in the modern society. Behavior studies exposed overlaps between different: behavior theories, business practices, and personals’ beliefs, values, and attitudes for studies of CSR (Schultz et al., 2005; Schwartz et al., 2012).

More fragmented are available conceptualizations of CSR in their implementation in specific contexts of young generation in studies among several institutional, educational, and cultural-cognitive preconditions for development of students’ perceptions about SRB (Kemmelmeier et al., 2002; Furrer et al., 2010; Cordano et al., 2011). In the last decade big attention among academics and practitioners exposed discovering of importance of students’ inclinations to CSR for their SRB as organizational stakeholders in the future (Furrer et al., 2010; Cordano et al., 2011). We followed these promising studies with examination of students’ SRB considered through their perception of CSR.

Our study contributes to knowledge on business students’ CSR with multi-dimensional research of CSR, state of students’ inclinations to individual CSR’s dimensions, and mutual effects of their inclinations about economic, natural and social dimensions of SCR. Finally, our study uncovers critical knowledge gaps for broader analyses of behavior gaps about students’ preparedness for their SRB in the future.

### **Theoretical overview and development of hypotheses**

From 1960s on, attention for CSR has been growing among organizations and other stakeholders of society (Dunlap et al., 19903; Wang et al., 2016). A detailed overview of CSR development is beyond the scope of our research and for our study we just briefly outline variables of interests for development of research hypotheses.

Academics developed triple bottom line model of CSR through research of socially constructed CSR, dimensions of CSR, and guidance for operationalization of CSR in society (Elkington, 2004; Dahlsrud, 2008; Glavas, 2016). Theorists and practitioners considered conceptualizations of CSR in organizations according to several motives, interests, and specific circumstance for implementation of CSR (Waddock et al., 1997; Gelfand et al., 2017). Our research originated in Aguinis' (2011: 855) definition of CSR: "context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social, and environmental performance".

Another stream of academics, like Elkington (2004), and Campbell (2007) calls for further study of SRB issues like development trends, situation among individual stakeholders, and multi-level study of SRB. According to findings of Furrer et al. (2010), and Cordano et al. (2011), we focused our study on SRB of business students, as future employees, who will manage development of SRB in organizations.

Following the tradition of social psychology, we considered behavior as "the range of actions, and mannerisms made by individuals in conjunction with themselves or their environment" (Minton, Khale, 2014; p. 25). Prevailing behavior theories – like planned behavior, organizational behavior, and behaviorism, treated SRB as a specific form of behavior (Schwartz et al., 2012; Minton, Khale, 2014) related with organizational responses to environment, social and economic issues (Schultz et al., 2005). Behavior studies of SRB exposed importance of balanced behavior of all stakeholder for achievement of SRB goals, social role of organizations' SRB, and SR economic, business and financial behavior (Wood, 2000; Aguilera et al., 2007).

Behavior literature defined behavior model of SRB through consideration of values-attitudes-behavior chain, where large attention was paid to attitudes to SRB's dimensions (Homer, Kahle, 1988; Wood, 2000; Schwartz et al., 2012). We considered attitudes as psychological responses to a person, an object, to a situation, to society and to life itself (Minton, Khale, 2014). Behavior studies exposed the importance of attitudes for behavior, correlations between attitudes and behavior, and different (direct or indirect) impacts of attitude on behavior in efforts for SRB (Gelfand et al., 2017). Results of studies about behavior models of SRB (Schultz et al., 2005; Schwartz et al., 2012), made us limit our study by focusing on direct effect of personal attitudes toward SRB on students' SRB.

In addition, theoretical cognitions about SRB (Dunlap et al., 1990; Elkington, 2004), lead us to presumption, that students' attitudes toward natural, social, and economic environment define students' SRB.

Students attitudes toward natural environment express the relative importance that students ascribe to natural environment (Schultz et al., 2005; Aguilera et al., 2007). Environmental psychology informs us that individuals with positive environmental attitudes are likely to act in order to protect ecological environment (Stern, 2000), and that individuals with positive environmental attitudes can significantly affect the environment through other behaviors (Aguilera et al., 2007). This made us presume that business students with highly developed natural attitudes will focus more on protection of nature in their lives (Schultz et al., 2005; Aguilera et al., 2007).

Students' attitudes toward social environment express students' response to social roles and norms expected from them by society (Davis et al., 2008; Rego et al., 2017). Social norms in students' life declare guidance for socially acceptable behavior and define their adequate behavior in particular positions (Homer, Kahle, 1988; Schwartz et al., 2012). CSR authors applied this framework to predict effects of students' social attitudes on their current SRB (Slaper, Hall, 2011).

Students' attitudes toward economic environment express students' orientation on achievement of the economic results and economic prosperity in society (Windsor, 2006; Crifo, Forget, 2015). Decisions of humans about economic issues are effected by their economics (Friedman, 1970) and their ethical opinion about societal economic prosperity (Carroll, 1999). Studies of balancing between economics and ethics revealed diverse results - negative, positive or neutral effects of economic attitudes on SRB (Windsor, 2006; Crifo, Forget, 2015). Following these cognitions, we presume that students' attitudes toward economic environment effect their current SRB (Crifo, Forget, 2015).

International studies like Furrer et al. (2010), and UN (2018) revealed the basic situation and trends of CSR in Slovenia. In addition, development documents of EU (EC, 2018) revealed the need for more studies to understand situation of CSR: (1) in individual EU member states, and (2) among younger generation as future decision makers on societal development (Furrer et al., 2010; Potocan et al., 2016).

Slovenia recorded stable development of CSR in last three decades (EC, 2018). Results of European Commission Growth Survey (EC, 2018) indicated large development of CSR and SRB among all stakeholders of Slovenian society. In addition, empirical studies revealed several potential areas for further development of CSR, especially improving of CSR in public administration (Jelovac et al., 2011) and necessary structural reforms for further sustainable development (Potocan et al., 2016).

As empirical studies by Kemmelmeier et al. (2002), Furrer et al. (2010), and Potocan et al. (2016) noted, Slovenian students show a big congruency about the importance of CSR for society and their future life, but

their opinions about importance of individual dimensions of SRB for CSR are more biased. These arguments suggest the following research hypothesis for our study:

*H 1 – Among business student differences exist in perception about importance of individual dimensions of CSR.*

Empirical studies on balancing between individual dimensions of CSR economics, revealed differing perceptions about impact of economic dimensions on other dimensions of CSR among organizational stakeholder (Stern, 2000; Wood, 2000) and younger generation (Cordano et al., 2011; Potocan et al., 2016). As Carroll (1999), and Furrer et al. (2010) reported, perception of specific groups of students received less scholarly attention, with particular knowledge, as business students with broader economic knowledge, about importance of economic results for organizations in modern society. We followed this promising stream of studies with research of the students' economic attitudes through students' perception about importance of "Primary concern for economic results" and "Devoting resources for CSR". This reviews different students' economic opinions about two basic options about relations between economics and CSR, e.g. about primary importance of economic results and the need for balancing achievement of organizational goals in frame of CSR. Thus, for research we hypothesize:

*H 2 – A primary concern for economic results is negatively related with natural and social aspect of CSR, as perceived by students.*

*H 3 – Devoting resources for CSR is positively related with natural and social aspect of CSR, as perceived by students.*

## **Method**

The sample included 183 business students from Faculty of Economics and Business, University of Maribor, Slovenia. In the academic year 2017/2018 the survey included business students from diverse years and fields of study. Students were surveyed during the classes and participated voluntarily.

In sample, 26.9 percent are males and 73.1 percent are females; the average age of students was 21.61 years; 78.8 percent are bachelor students and 21.2 percent are master students.

Authors used a modified version of a Ralston's Survey working relations for examining values, relations at the workplace and CSR (Ralston et al., 2011). For this research authors used data from the second part – i.e. 25 items aimed to measure different aspects of CSR, and the third part covered demographic data of students.

Students' attitudes toward CSR were measured with 25 items from a sub-scale of the questionnaire. Each item had nine Likert-type response choices (1 – Strongly agree to 9 – Strongly disagree). Based on the results of factorial

analysis, using varimax rotation, authors established two variables to capture business students' attitudes toward economic aspect of CSR: Primary concern for economic results, and Devoting resources for CSR, and two variables aimed to capture the natural and social aspects of CSR: Devoting resources for CSR, and Concern for the natural aspect of CSR.

In this study the internal reliabilities for dimensions of CSR are comparable to those obtained in other studies using this instrument (Egri, Herman, 2000; Furrer et al., 2010; Potocan et al., 2016).

Authors focused on detecting the situation of business students' perception about CSR' dimensions aiming to examine impact of economic aspects on natural and social aspects of CSR among. The first step of research outlined elements of descriptive statistics and zero-ordered correlations between variables, interesting for sample of students, using SPSS 23. In the second step authors revealed perception of business students about economic, natural and social aspect of CSR. In the third step authors used structural equation modeling approach, using AMOS 18, to examine the relations between the economic aspect of CSR and latent variables "concern for the natural aspect of CSR" and "concern for the social aspect of CSR".

## Results and discussion

Authors first statistically describe the interesting variables for students' sample. Mean values, standard deviations and zero-ordered correlations among the studied variables revealed associations, calling for deeper examination of current state of CSR's dimension and associations between the economic dimension and the natural and social CSR among the surveyed business students. The limited space made authors exclude table with descriptive statistics here.

The next is examination of the current situation of natural, social and economic dimensions of CSR among business student (Table 1).

Table 1. Concern for economic results and CSR among business students in Slovenia (created by authors)

Variables	Slovenia	
	Mean	SD
Primary concern for economic results	3.45	1.89
Devoting resources for CSR	3.04	1.55
Concern for natural aspect of CSR	2.45	1.32
Concern for social aspect of CSR	2.72	1.05

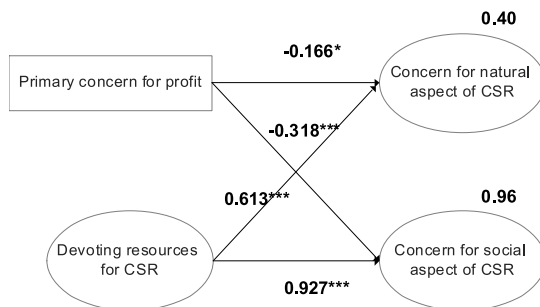
Business students strongly care for natural CSR; this can result from several factors, like social consensus about CSR' orientation and prevailing focusing of organizations on achievement of CSR goals in Slovenia (Jelovac et al., 2011; Potocan et al., 2016).

Students also denoted their largest attention to societal CSR; this matches “High social standards in Slovenia” (Furrer et al., 2010), and developed “social dialogue” in Slovenian society (Jelovac et al., 2011).

To business students the economic dimensions of CSR, measured through Primary concern for economic results, and Devoting resources for CSR, are the least important among CSR' dimension, regardless of relatively successful economic results of Slovenian organization in last decades, which enabled stable development of organizations in Slovenian economy.

Hypothesis 2 suggests that business student differently perceive the importance of individual dimensions of CSR. This hypothesis was supported by values for individual dimensions of CSR among students in Table 1.

Next, we are outlining the results regarding the associations between the four considered variables for business students (Figure 1).



\*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$

**Figure 1.** Path analysis of concern for the economic aspect of CSR on the natural and social aspects of CSR for the Slovenian sample (created by authors)

Results about impact of economics dimension of CSR on other dimensions of CSR partly followed the previous studies from Central Europe and their cognitions about the negative impact of maximization of economic results on the natural and social CSR (Kemmelmeyer et al., 2002; Furrer et al., 2010). Thus, Figure 1 reveals a significant negative impact of “Primary concern for profit” on the natural and social aspects of CSR. Hypothesis 2 about negative impact of primary concern for economic results on natural and social aspect of CSR was supported (see results in Figure 1).

On the contrary Figure shows that “Devoting the resources for CSR” significantly and positively impacts the natural and social dimensions of CSR. These results supported Hypothesis 3.



Finally, results of study cause conclusion that business students' understanding of economic dimension of CSR is divided. Economics and business education informs students about importance of economic goals and the omnipresent idea of "necessary maximization of economic results of organizations", which can generate opinion that natural and social activities are unnecessary actions causing unjustified organizational costs (Friedman, 1962; Reinhardt et al., 2008).

Results on CSR' working and behavior of business students as future employees promise more through their perception about impact of "Devoting the resources for CSR" on other dimensions of CSR. One can conclude that this students' CSR orientation results from efforts of society for CSR development, prevailing orientation of organizations on CSR goals and broader education about importance of CSR among educational institutions (Jensen, 2000; Wang et al., 2016).

## **Conclusions**

This research examined the current situation of CSR among business students in Slovenia, and emphasized the impact of the business students' economic attitudes on their perception of the natural and social aspects of CSR.

The survey revealed that the business students find all three CSR dimensions significant for further development of CSR and SRB. They favor concern for natural and social dimensions; their perception about importance of the economics aspect of CSR, considered through the primary concern for economic results and devoting resources for CSR, is lower.

The students' current care for the natural environment might reflect institutional development of CSR and integration of CSR in all level of education in the last decades. Regarding the social dimension of CSR one can presume that social orientation of society together with high social expectation among stakeholders of society, effect the students' opinion about social issues. Lower interest of students for economic dimension of CSR can be explained with students age: youngsters do not focus on material goods and lack business experiences about importance of economic goals.

On the basis of the examined references and results from the authors' field study one can outline the following implications. First, perception of CSR' dimensions among students enables development of actions and initiatives for further development of CSR and SRB in educational organizations. Organizations, knowing of attitudes towards CSR of "newcomers" in the organizations will benefit their development. Finally, results of this study provide suggestions for development of educational sphere. For instance, business schools can complete their curriculum with broader consideration of economic dimension of CSR.



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